



ARIZONA CORPORATION COMMISSION

SANDRA D. KENNEDY

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November 19, 2021

Mike Hummel, General Manager, CEO
Salt River Project
PAB4TB P.O. Box 52025
Phoenix, AZ 85072

IN THE MATTER OF THE 90 DAY PRE-APPLICATION PLANS FOR POWER PLANTS
FILED PURSUANT TO A.R.S. § 40-360.02.B (DOCKET NO. E-00000M-08-0170)

Mr. Hummel,

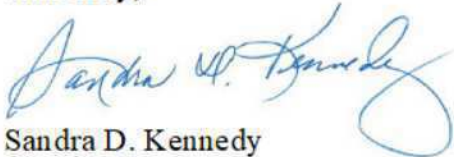
After meeting with Salt River Project ("SRP") to discuss the upcoming filing regarding the Certificate of Environmental Compatibility ("CEC") for the proposed Coolidge Generating Station expansion project ("Project"), a few questions have come to mind. Please review the questions below:

- A.R.S. §40-360.06(A)(8) states the Power Plant and Transmission Line Siting Committee and the Commission *shall* consider the "...potential increase in the cost of electric energy to the customers..." when responding to a CEC application.
 - What is the expected rate impact to SRP ratepayers resulting from this Project?
 - What is the expected rate impact specifically to low-income SRP ratepayers?
- Did SRP conduct an all-source RFP to determine the most economic option(s) available to meet its needs in this case?
- If the answer to the above question is no, please provide the analysis conducted by SRP and/or any consultants concerning the viability of the Project including examinations of alternatives. This should include any inputs, assumptions, scenarios, studies, and factors considered. An executive summary or similar summary materials alone will not be sufficient.
- In its 2018 Integrated Resource Plan SRP states "prior to making any financial commitments to major equipment or construction contracts for new-build generation, issue all-source RFPs for the planned capacity. That capacity will explicitly include the opportunity for cost competitive and viable energy storage and demand response options." Did SRP follow this guidance in this case?
- SRP has stated it intends to run the Project in a limited capacity to meet system peaks. Is SRP prepared to place a limitation on the total allowable capacity factor for this Project, such as at no greater than 10%?

- In the event SRP does not agree to the above capacity factor limitation, is it fair to assume SRP would consider running this facility in scenarios outside of system peaks, such as within the Energy Imbalance Market?
- Please detail all opportunities SRP provided for public input and involvement prior to the vote by its District Board of Directors on the Project, including dates.
- To your knowledge, what other new natural gas fired power plants (not including those previously approved by SRP's District Board of Directors) are currently proposed in the State of Arizona?
- Would any alternative natural gas peaker technology provide greater ability for future conversion to "green hydrogen capability" as compared to the "aeroderivative" gas turbines SRP currently proposes for this Project?
- Would any alternative natural gas peaker technology require less water during operations compared to the "aeroderivative" gas turbines SRP currently proposes for this Project?

Please provide your responses to these questions prior to filing your CEC application.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sandra D. Kennedy", with a large, stylized flourish at the end.

Sandra D. Kennedy
Commissioner